

## Business & Economy

# Treasury bids to empower local councils

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THE Treasury is working closely with municipalities to improve capacity and financial management, says accountant-general Michael Sassi.

Improvements under way include reducing the number of accounting systems to improve efficiency.

This comes as interventions to assist municipalities attain clean audits have had limited success, often because of inadequate information and failure to explain transactions.

The latest such programme was Operation Clean Audit 2014, which was part of President Jacob Zuma's performance agreement with then -cooperative governance minister Sicele Shiceka and his provincial counterparts and mayors.

However, University of the Western Cape researchers have concluded that ratepayers have to wait until 2023 for all municipalities to get clean audits. The auditor-general's report on municipal audits, released late last year, showed that only 48% of the country's 278 municipalities achieved unqualified audits.

Mr Sassi said currently municipalities could use any accounting system they wanted as long as they declared it. Too many systems created integration problems thus the ongoing review also entailed reducing their number.

"Not because we want to be prescriptive but because we want to say we want everybody to standardise so that we can

**PRIORITY: Efforts to help municipalities improve their capacity and financial management are crucial in the battle to fight the scourge of poor service delivery,**

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compare," Mr Sassi said in an interview.

Using fewer systems would also help with information gathering. "The biggest thing that we lack at the moment is the integration between the various systems," Mr Sassi said.

Capacity constraints in some munic-



Most skilled professionals preferred to be based in bigger cities such as Johannesburg, Mr Sassi said.

It is, however, not only the small municipalities that suffered capacity problems in managing finances, as evidenced by the national Treasury having had to take over the administration of some departments in Limpopo. Treasury has since handed the departments back to the provincial government.

Mr Sassi said some contractors frequently overcharged government departments and municipalities. To deal with that, a central list of approved suppliers that have been vetted for cost and quality had been created.

The government's chief procurement officer managed the process of compiling the list.

Details of spending cuts to save the government money are among measures expected in Finance Minister Nhlanhla Nene's budget next week.

Meanwhile, in his state of the nation address last week, Mr Zuma said that the government was looking to establish strategic partnerships for skills development. These would be with countries selected to partner SA in the energy build programme.

Partner and head of public sector advisory at Grant Thornton SA Terry Ramabulana said Mr Zuma did not talk about up-skilling existing staff and the usage of competent local consultants for training purposes. "This was disappointing."

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